

**THE ATTORNEY GENERAL
OF TEXAS**

CRAWFORD C. MARTIN
ATTORNEY GENERAL

AUSTIN, TEXAS 78711

March 13, 1967

Honorable Marie Winters
Firemen's Pension Commissioner
1010 Sam Houston State Office Building
Austin, Texas

Opinion No. M-42

Re: Interpretation of
Article 6243e, Sec. 23A,
Vernon's Civil Statutes.

Dear Mrs. Winters:

In a recent opinion request of this office you outlined the following fact situation:

The Firemen's Pension Board of Texas City, Texas at present has approximately \$150,000.00 of their surplus invested in one savings and loan association. The entire amount is invested in the name of the Board and there is no method available to show the various individual interests in this sum which are subject to claim by the various persons covered by the Firemen's Pension Program.

You have expressed concern as to the appropriateness of this type of investment and have asked our opinion regarding same. In addition, in the event that such an investment is not appropriate under the statutes, you have requested our opinion as to what action, if any, can be undertaken to enforce proper investment by the local board.

Article 6243e, Sec. 23A, Vernon's Civil Statutes, provides, in part, as follows:

"In cities having a population of eight hundred thousand (800,000) or less according to the last preceding Federal Census, and only in such cities, whenever, in the opinion and judgment of said Board of Trustees, there is on hand in the Firemen's Relief and Retirement Fund for the city, a surplus over and above a reasonably safe amount to take care of the current demands upon such fund, such surplus or so much thereof as in the judgment of said Board is deemed proper, may be invested in Federal, State, County or Municipal Bonds, and in shares or share accounts of savings and loan

associations, where such shares or share accounts are insured under and by virtue of the Federal Savings and Loan Insurance Corporation, . . ."

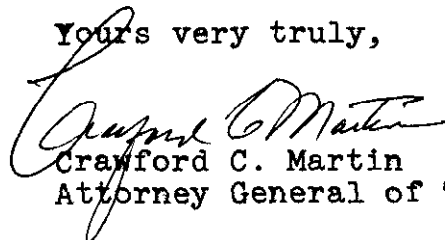
It is our opinion that the above quoted article, which is applicable to Texas City, Texas, contemplates that only that amount of surplus funds may be invested in shares or share accounts of savings and loan associations which are fully and completely insured by the Federal Savings and Loan Insurance Corporation. Since the present insurance coverage is a maximum of Fifteen Thousand Dollars (\$15,000) for each account, we are of the opinion that the Board of Trustees of a Firemen's Pension Board is authorized to invest money from its surplus account only to the extent of Fifteen Thousand Dollars (\$15,000) in each savings and loan association.

In connection with your question regarding the enforcement of the statutory provisions, you are advised that we are confident that the Firemen's Pension Board here involved will comply with the holding of this opinion without incurring the necessity of legal action.

S U M M A R Y

The Firemen's Pension Board of Texas City, Texas, is authorized to invest from its surplus funds only an amount of up to Fifteen Thousand Dollars (\$15,000) with an individual savings and loan association.

Yours very truly,


Crawford C. Martin
Attorney General of Texas

SK/lh

Prepared by Sam Kelley
Assistant Attorney General

APPROVED:
OPINION COMMITTEE

Honorable Marie Winters, Page 3 (M- 42)

Hawthorne Phillips, Chairman
W. V. Geppert, Co-Chairman
Malcolm Quick
Pat Bailey
John Fainter
Mark White

STAFF LEGAL ASSISTANT
A. J. Carubbi, Jr.